

110 STAT.
1788

PUBLIC LAW 104-188—AUG. 20, 1996

"(ii) AGGREGATION OF CERTAIN TRUSTS
AND PLANS.—For purposes of determining the
balance to
the credit of an employee under clause (i)—
"(I) all trusts which are part of a plan shall
be treated as a single trust, all pension
plans
maintained by the employer shall be treated
as
a single plan, all profit-sharing plans
maintained
by the employer shall be treated as a single
plan,
and all stock bonus plans maintained
by the
employer shall be treated as a single plan,
and
"(II) trusts which are not qualified
trusts
under section 401(a) and annuity contracts
which
do not satisfy the requirements of section 404(a)
(2)
shall not be taken into account.

"(iii) COMMUNITY PROPERTY LAWS.—The provisions
of this paragraph shall be applied without
regard to
community property laws.

"(iv) AMOUNTS SUBJECT TO PENALTY.—This
para-
graph shall not apply to amounts described
in subpara-
graph (A) of section 72(m)(5) to the extent
that section
72(m)(5) applies to such amounts.

"(v) BALANCE TO CREDIT OF EMPLOYEE
NOT TO
INCLUDE AMOUNTS PAYABLE UNDER
QUALIFIED DOMES-
TIC RELATIONS ORDER.—For purposes
of this paragraph
the balance to the credit of an
employee shall not
include any amount payable to an
alternate payee
under a qualified domestic relations
order (within the
meaning of section 414(p)).

"(vi) TRANSFERS TO COST-OF-LIVING
ARRANGEMENT
NOT TREATED AS DISTRIBUTION.—For
purposes of this
paragraph, the balance to the credit of an
employee
under a defined contribution plan shall
not include
any amount transferred from such defined
contribution
plan to a qualified cost-of-living
arrangement (within
the meaning of section 415(k)(2)) under a

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is the spouse or former spouse of the
employee shall
be treated as a lump-sum distribution.
For purposes
of this clause, the balance to the credit of
the alternate
payee shall not include any amount
payable to the
employee."

(2) Section 402(c) (relating to rules applicable
to rollovers
from exempt trusts) is amended by striking
paragraph (10).

(3) Paragraph (1) of section 55(c) (defining
regular tax)
is amended by striking "shall not include any
tax imposed
by section 402(d) and".

(4) Paragraph (8) of section 62(a) (relating to
certain portion
of lump-sum distributions from pension plans
taxed under sec-
tion 402(d)) is hereby repealed.